

# **REQUEST FOR PROPOSALS**

## **FAIRFAX COUNTY**

### **REQUEST FOR PROPOSALS FOR**

#### **HOME CHDO AFFORDABLE HOUSING PROJECTS**

#### **FY 2014**

The Fairfax County Department of Housing and Community Development (HCD) announces the availability of funds under the federal Home Investment Partnerships (HOME) Program. Project proposals are being solicited to construct, acquire, or rehabilitate affordable housing.

Preference will be given to projects meeting one or more of the following criteria:

- Include preservation and acquisition of affordable housing; and/or
- Result in affordable housing that is accessible to disabled persons; and/or
- Serve extremely low income households (at or below 30% Area Median Income (AMI))
- Incorporate Fairfax County's Consolidated Plan and Housing Blueprint objectives
- Support Fairfax County's Housing First initiative which provides people who are homeless permanent housing first, along with supportive services, instead of placing them into shelters
- Provide beneficiaries with direct access to public transportation and/or community retail centers and/or supportive services; and/or
- Projects that can be completed by the applicant within a 12 month timeframe upon receipt award funds.

Up to \$650,000 in HOME Community Housing Development Organization (CHDO) set-aside funds is available under this Request For Proposals, subject to the final HOME grant amount as approved by Congress and distributed by HUD. An application will be available online no later than Monday, September 16, 2013 at: <http://www.fairfaxcounty.gov/rha/chdorfp/fy2014.htm>.

**ELIGIBLE APPLICANTS:** Eligible applicants are nonprofit corporations who have been officially certified as a Fairfax County Community Housing Development Organization CHDO by the Fairfax County Department of Housing and Community Development for FY 2014 (July 1, 2013-June 30, 2014); or can either meet or can reasonably be expected to meet the criteria of the federal HOME regulations for a CHDO<sup>1</sup> in response to this RFP and have paid staff whose experience qualifies them to undertake CHDO set-aside activities. For applications submitted by any nonprofit organizations that have not been certified as a Fairfax County CHDO for FY 2014, any such application cannot be recommended for final approval until the organization has successfully applied for and received this certification. CHDO certification applications will be accepted along with this RFP. See the CHDO Checklist (Appendix 5) for a full description of HOME CHDO criteria and required documentation.

**Applications are to be received no later than 3:00 p.m., Friday, October 18, 2013** at the 1st Floor Reception Desk, Fairfax County Department of Housing and Community Development, 3700 Pender Drive, Fairfax, VA 22030. An original and four copies are to be submitted. **NOTE: A pre-bid conference will be held in the DHCD Center, 1<sup>st</sup> Floor (3700 Pender Drive, Fairfax) from 3:00 p.m. – 4:00 p.m. on Monday, September 30, 2013. Please contact Kehinde Powell, Grants Management Division at 703-246-5117 with any questions related to this RFP.**

*Fairfax County is committed to a policy of nondiscrimination in all County programs, services and activities and will provide reasonable accommodations upon request. To request special accommodations call 703-246-5101 or TTY 703-385-3578.*



1 HOME Definition of CHDO, 24 CFR § 92.2 ([www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/finalrule.pdf](http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/finalrule.pdf)).

# INTRODUCTION: APPLICATION GUIDELINES

## PURPOSE: AFFORDABLE HOUSING PROJECTS

The Fairfax County Department of Housing and Community Development (HCD) is announcing the availability of funds provided to Fairfax County under the HOME program administered by the U.S. Department of Housing and Urban Development (HUD). The funds are available to eligible non-profit applicants for the purpose of preserving, improving, or developing HOME-eligible affordable housing in Fairfax County.

## FUNDS AVAILABLE

Up to \$650,000 is available for HOME Community Housing Development Organization (CHDO) funds based on the federal requirement to set aside at least 15% of the county's annual funding under the HOME Program for CHDO-eligible activities. In addition, CHDO operating assistance may be provided to awardees under this RFP.

## AWARD OF FUNDS

All applications will first be subject to preliminary screening by HCD for completeness and minimum requirements. A Selection Advisory Committee, to be appointed by the Director of HCD, will review those deemed complete. Preliminary selection(s) will be made based on the extent to which the proposal(s) meets the evaluation criteria. The proposal(s) selected and recommended for final award will be subject to approval by the Fairfax County Board of Supervisors (Board). Applicants will be notified of the recommended award(s) and final award(s) approved by the Board. A contract(s) between the FCRHA and the funded applicant(s) must be executed prior to any disbursement of funds.

The following is a description of options HCD may pursue should it not receive enough proposals that satisfactorily meet the evaluation criteria. HCD may: 1) award additional funds for the proposals submitted under this RFP based on project needs and number of affordable units or; 2) HCD may consider, on a first come, first serve basis, unsolicited proposals; or 3) informally solicit proposals as opportunities are identified to fully utilize available funding for preservation of additional units.

If no application meets the selection criteria, the county reserves the right to fund no applications in this round of funding, or to reopen the period for submission of proposals indefinitely.

## MINIMUM REQUIREMENTS

In order for a project/proposal to receive consideration, it must meet the following minimum requirements:

1. The purpose of the proposal is to use CHDO set-aside funds to finance a CHDO-eligible project which, upon completion, will be occupied by HOME income-eligible households.
2. The proposal is submitted by the deadline.
3. The applicant is an eligible CHDO, as stated above.
4. The project to be financed with CHDO set-aside funds is located in Fairfax County (including the Participating Jurisdictions of the Towns of Clifton, Vienna, and Herndon and the City of Fairfax).
5. The project will not result in the permanent displacement of any households or other entities.
6. Worksheet #1 of the Application is completed **and signed**.
7. The proposal cannot be for an expansion or improvement of a county-owned facility or other publicly owned residential facility.

## ELIGIBLE ACTIVITIES AND PROJECT REQUIREMENTS OF THE HOME PROGRAM

In order to be considered for funding, all proposed projects must be considered eligible under the requirements of the HOME Final Rule, including provisions pertaining to CHDO-specific affordable housing activities:

“CHDOs, as owners, must hold title to or have a long term lease in a given housing property. Additionally, a CHDO developer may own and develop a property or have a contractual obligation to a property owner to develop a project. Finally, a CHDO sponsor develops a project that it solely or partially owns and agrees to convey ownership to a second nonprofit that retains ownership for the purpose of providing affordable housing to low-income renters. The distinction between being a sponsor and a developer is that CHDO sponsors have an ownership interest in the property prior to the development phase and then transfers title to another legally and financially separate nonprofit at a pre-determined time. The CHDO sponsor must provide sufficient resources to the second nonprofit organization to ensure the completion of the development and long-term operation of the project.”<sup>2</sup>

| ELIGIBLE CHDO ACTIVITIES   | ELIGIBLE CHDO SET ASIDE ACTIVITIES |              |            |
|--|------------------------------------|--------------|------------|
| ELIGIBLE ACTIVITY  | CHDO Developer                     | CHDO Sponsor | CHDO Owner |
| Acquisition/rehabilitation of rental housing.  | X                                  | X            | X          |
| New construction of rental housing.  | X                                  | X            | X          |
| Acquisition/rehabilitation of homebuyer properties.  | X                                  | X            | X          |
| New construction of homebuyer properties.  | X                                  | X            | X          |
| Direct financial assistance (i.e. downpayment and closing costs) to purchasers of HOME-assisted homebuyer housing owned, sponsored or developed by a CHDO with HOME funds. | X                                  | X            | X          |

### HOME Eligible Activities (24 CFR § 92.205)

The housing must be permanent or transitional housing, including permanent housing for disabled persons, homeless persons and single-room occupancy housing.

- 1) Acquisition (including assistance to first-time homebuyers purchasing units that are owned, sponsored or developed by the Applicant with HOME funds)
- 2) New construction
- 3) Reconstruction
- 4) Rehabilitation of non-luxury housing with suitable amenities
- 5) Site improvement
- 6) Conversion
- 7) Demolition

Conversion of an existing structure to affordable housing is considered rehabilitation, unless the conversion entails adding one or more units beyond the existing walls, in which case, the project is new construction under HOME federal regulations.

Acquisition of vacant land or demolition must be undertaken only with respect to a particular housing project intended to provide affordable housing, and for which funds for construction have been committed.

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2 Source: HOMEfires, Vol. 2, #1 ([www.hud.gov/offices/cpd/affordablehousing/library/homefires/volumes/vol2no1.cfm](http://www.hud.gov/offices/cpd/affordablehousing/library/homefires/volumes/vol2no1.cfm)).

Housing that has received an initial certificate of occupancy or equivalent document within a one-year period before the county commits HOME funds to the project is new construction under the HOME federal regulations.

- A. **Income targeting:** The project must meet income targeting requirements for housing units assisted under this RFP (See Appendix 4, Income Limits), as follows:
- **Rental Housing:** not less than 90 percent of the families receiving such assistance are families whose annual income does not exceed 60 percent of the area median income (AMI) at the time of occupancy or at the time that the funds are invested, whichever is later. The remaining families receiving such assistance must be households with incomes at or below 80 percent of AMI.
  - **Homeownership Housing:** all HOME funds must benefit families at or below 80 percent of the Washington, DC AMI, as determined by HUD and adjusted for household size.
- B. **Minimum per-unit subsidy:** Federal HOME regulations require that the minimum amount of HOME funds that must be invested in a project involving rental housing or home ownership is \$1,000 times the number of affordable units in the project.
- C. **Maximum per-unit subsidy:** The amount of HOME funds that the county may invest on a per-unit basis in affordable multi-family housing may not exceed the per-unit dollar limits as Home Maximum Per Unit Subsidy Limits or 221(d)(3).
- D. **Maximum Mortgage Limits:** Where HOME funds are used to finance homeownership units, the purchase price cannot exceed the limits shown in Appendix 2, HUD Maximum Mortgage Limits.
- E. **Rent limitations:** The HOME-assisted units in a rental housing project must be occupied only by households that are eligible as low-income families, and must have rents that do not exceed those outlined in Appendix 3, Rent Limitations.
- F. **Period of Affordability:** HOME regulations require that assisted units remain affordable at a minimum from 5 years to 20 years, depending on the type of activity as well as the amount of HOME subsidy. The affordability period will be determined as a part of underwriting project assistance and will be included in the terms and conditions of the contract with the applicant and may exceed the minimum required under HOME regulations. FCRHA typically requires a 30 year affordability period.
- G. **Eligible Costs (24 CFR §§ 92.206 and 92.301):**
- 1) **Development hard costs.** The actual cost of constructing or rehabilitating all housing types, including mixed use and mixed income developments, ownership or rental housing and special needs housing.
  - 2) **Acquisition costs.** Costs of acquiring improved and unimproved real property, including acquisition for homeownership.
  - 3) **Related soft costs.** Other reasonable and necessary costs incurred by the owner and associated with the financing or development (or both) of new construction, rehabilitation, or acquisition of housing assisted with HOME funds, i.e., architectural, engineering, permits, financing, developer and legal fees, as well as working capital and closing costs.
  - 4) **Relocation costs.** Costs of relocation payments and other relocation assistance for temporarily displaced individuals, families, businesses, and organizations. *Projects involving permanent relocation will not be considered for funding.*
  - 5) Applications requesting HOME funds to cover expenses related to project-specific technical assistance, site control and seed money and project feasibility studies will be considered and evaluated on a case-by-case basis.
  - 6) Tenant-based rental assistance (TBRA) is not an eligible cost under this RFP. This RFP includes funds set aside for eligible HOME development activity by non-profit corporations who meet or can be reasonably expected to meet the federal requirements of a community housing development organization (CHDO). For other prohibited costs and activities, refer to § 92.214 of the HOME Final Rule, as amended.

## GENERAL PROJECT REQUIREMENTS

- A. Targeted Beneficiaries: The HOME Program is designed to assist housing projects that serve low-income households ranging from the homeless to first time homebuyers, consistent with the needs and priorities identified in the Annual Action Plan: FY 2014. The Annual Action Plan is available from the County on the website at [www.fairfaxcounty.gov/rha](http://www.fairfaxcounty.gov/rha). Click on Consolidated Plan.
- B. Awards will take the form of loans or deferred trusts.
- C. In certain cases, prior to award, a preliminary or firm financing commitment from a private lender or other financing source may be required.
- D. Applications must be for specific projects located in Fairfax County. To the extent feasible, applications should be site specific. Evidence that the proposed development is permitted under existing zoning and other development-related documentation may be required.
- E. Preliminary site plans and schematics for new construction, engineering reports for rehabilitation, preliminary market justification, and appraisals are expected to be complete at the time of application.
- F. An independent market analysis may be required, as well as a recent tenant survey detailing the socio-economic characteristics of current tenants, particularly in the case of acquisition and/or rehabilitation projects.
- G. An environmental review must be completed for any project funded with federal funds *prior* to the commitment of funds to the project. Rehabilitation or new construction projects may be subject to the wage and hour requirements of the Davis-Bacon Act, as well as the accessibility requirements under 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973.
- H. Projects that involve temporary relocation must meet the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. ( ***Projects requiring permanent relocation will not be considered for funding.*** )
- I. Acquisition and/or renovation of existing housing are also subject to lead based paint (LBP) testing (particularly units built prior to 1978). Depending on age of the structure(s), scope of work, and type of work, LBP testing can vary in extent and need as mandated by HUD.<sup>3</sup>
- J. Until funds are completely disbursed, successful applicants ***that have not already been certified as a Fairfax County CHDO*** will be required to provide an annual audit of its financial statements and auditor's opinion and management letter, if issued. Audits must be conducted by an independent licensed certified public accountant. Applicants should note that an A-133 audit is required by Federal regulations if total federal dollars expended by the applicant in any fiscal year of the organization exceeds \$500,000.

## DISBURSEMENT OF FUNDS

Funds will be disbursed only at the time all conditions of the award have been met by the applicant, which include all requirements and CHDO certification current to the time at which the application was submitted. Disbursement of funds under this RFP is subject to: execution of a contract between the applicant and the Fairfax County Redevelopment and Housing Authority; local program requirements; a deed of trust, loan, or partnership agreement; and/or any other appropriate additional legal documentation as required, and environmental clearance.

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<sup>3</sup> See HOME Front for further guidance on HOME and the Lead Safe Housing Rule:  
<http://www.hud.gov/offices/cpd/affordablehousing/training/web/leadsafe/>.

The contract execution may be delayed up to two months for all conditions of the award to be met and that may be extended. Where the applicant has failed to meet the conditions of the award within the allotted time, the award may be revoked and the funds allocated may be deobligated and reprogrammed to other projects by the Board. The funds must be expended in full accordance with the contract and deferred trust or loan agreement with the applicant. It is expected that funds will be expended and the project completed within a maximum of 24 months from execution of the contract and deferred trust or loan agreement with the applicant.

## **CONFLICT OF INTEREST**

The Fairfax County Redevelopment and Housing Authority (RHA) prohibits the loan of county funds to any nonprofit entity found to be in violation of any of the following conflicts of interest:

1. No member of the CHDO Board of Directors, or any other staff person employed by the CHDO, may serve as the Realtor brokering any real estate transaction between the CHDO and a third-party seller.
2. No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official or consultant of the owner, developer or sponsor) whether private, for-profit or non-profit including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.<sup>4</sup>
3. If a CHDO board includes any member or members who are also Fairfax County Department of Housing and Community Development (HCD) employees, any such employees must recuse themselves from any aspect of the annual Fairfax County CHDO RFP review and selection process so as to avoid the appearance of conflict of interest and the perception of favoritism on the part of HCD toward any individual CHDO.



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<sup>4</sup> Certain requests for exceptions may be approved, per the criteria of the HOME Final Rule (24 CFR § 92.356(f)(2)).

# APPENDICES

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## **APPENDIX 1**

### **Consolidated Plan Housing Objectives**

#### **Specific Housing Objectives**

The table below shows the specific objectives to meet the four goals outlined in Appendix 2.

| <b>Objective Number</b> | <b>Objective Description</b>   |
|-------------------------|--|
| <b>1</b>                | Provide housing units affordable to homeless individuals and families  |
| <b>2</b>                | Provide housing units affordable to persons with physical or mental disabilities, including persons with HIV/AIDS                      |
| <b>3</b>                | Provide housing units affordable to households with low to extremely-low incomes (<50 percent MFI) and other special needs populations |
| <b>4</b>                | Provide sufficient workforce housing through land use policy   |
| <b>5</b>                | Provide sufficient workforce housing through private sector partnerships   |
| <b>6</b>                | Preserve existing Public Housing   |
| <b>7</b>                | Promote resident self-sufficiency  |
| <b>8</b>                | Foster coordination and partnerships   |

Source: Fairfax County Approved Consolidated Plan for Fiscal Years 2011-2015.



## **APPENDIX 1A**

### **Housing Blueprint and Consolidated Plan Goals**

On January 26, 2010, the Fairfax County Board of Supervisors adopted a “Housing Blueprint”<sup>6</sup>, which establishes the county’s affordable housing policy direction for FY 2011 and beyond. The Housing Blueprint reflects the philosophy of the Board that affordable housing is a continuum ranging from the needs of the homeless to first-time homebuyers. The goals and priorities needs set forth in the Housing Blueprint and this Consolidated Plan were the product of the input gathered through the process of bringing together County officials and staff, representatives from the non-profit community and for-profit development sector, and the citizens of Fairfax County and supplemented by data compiled from local sources, HUD, and the U.S. Census.

The housing goals established for the next 10 years in the Housing Blueprint drive the Consolidated Plan for FY 2011-2015 and are as follows:

Goal 1: To end homelessness in 10 years

Goal 2: To provide affordable housing options to those with special needs

Goal 3: To reduce the waiting lists for affordable housing by half in 10 years

Goal 4: To produce workforce housing sufficient to accommodate projected job growth

To accomplish these goals, Fairfax County will draw upon the community and private sector to leverage resources through partnerships. The County will complete projects already in the pipeline as well as embark on new initiatives.

Consistent with the Housing Blueprint, the philosophy driving the priority needs in this Five-Year Plan is that affordable housing is a continuum ranging from the needs of the homeless to first-time buyers. Included in this range are the diverse housing needs of hard-working, but low paid families; senior citizens; persons with physical or mental disabilities; and the workforce across Fairfax County.

The consensus among the parties establishing the housing priorities for the next 10 years is that affordable housing priorities have changed and that the emphasis should shift to those with the greatest need. Those identified as having the greatest need include:

- 1) Individuals and families who are homeless;
- 2) Households with low- to extremely low-incomes;
- 3) Special needs populations including persons with physical or mental disabilities and seniors; and
- 4) The workforce essential to Fairfax County’s economic health and growth.

## APPENDIX 2

### HUD MAXIMUM MORTGAGE LIMITS Effective November 2012

| Washington,<br>DC HUD Field<br>Office | One-family | Two-family | Three-family | Four-family |
|---------------------------------------|------------|------------|--------------|-------------|
| Fairfax County,<br>VA                 | \$729,750  | \$934,200  | \$1,129,250  | \$1,403,400 |

Source: HUD FHA Maximum Single Family Mortgage Limits (<https://entp.hud.gov/idapp/html/hicostlook.cfm>).

## APPENDIX 4

### RENT LIMITATIONS Effective April 2013 through April 2014

#### FEDERAL FY 2013 HOME PROGRAM RENTS FOR FAIRFAX COUNTY

|   | EFFC    | 1<br>BDRM | 2<br>BDRM | 3<br>BDRM | 4<br>BDRM | 5<br>BDRM | 6<br>BDRM |
|---|---------|-----------|-----------|-----------|-----------|-----------|-----------|
| Low HOME Rent Limit<br>(50% of AMI or below)  | \$941   | \$1,008   | \$1,210   | \$1,397   | \$1,558   | \$1,720   | \$1,881   |
| High HOME Rent Limit<br>(80% of AMI or below) | \$1,118 | \$1,191   | \$1,412   | \$1,656   | \$1,828   | \$1,998   | \$2,169   |

Source: U.S. Department of Housing and Urban Development District of Columbia Field Office:  
Washington, D.C. Metropolitan Statistical Area 2013 HOME Program Rents

## APPENDIX 5

### Income Limits Effective December 2012 through December 2013

#### FEDERAL FY 2013 HOME PROGRAM INCOME LIMITS FOR FAIRFAX COUNTY

| <b>Persons</b> | <b>30% Limits<br/>(Extremely<br/>Low- Income)</b> | <b>50% Limits<br/>(Very Low-<br/>Income)</b> | <b>60% Limits<br/>(Low-Income)</b> | <b>80% Limits</b> |
|----------------|---|--|------------------------------------|-------------------|
| <b>1</b>       | \$22,550  | \$37,600                                     | \$45,120                           | \$46,750          |
| <b>2</b>       | \$25,800  | \$42,950                                     | \$51,540                           | \$53,400          |
| <b>3</b>       | \$29,000  | \$48,300                                     | \$57,960                           | \$60,100          |
| <b>4</b>       | \$32,200  | \$53,650                                     | \$64,380                           | \$66,750          |
| <b>5</b>       | \$34,800  | \$57,950                                     | \$69,540                           | \$72,100          |
| <b>6</b>       | \$37,400  | \$62,250                                     | \$74,700                           | \$77,450          |
| <b>7</b>       | \$39,950  | \$66,550                                     | \$79,860                           | \$82,800          |
| <b>8</b>       | \$42,550  | \$70,850                                     | \$85,020                           | \$88,150          |

Source: U.S. Department of Housing and Urban Development District of Columbia Field Office:  
Washington, D.C. Metropolitan Statistical Area 2013 HOME Program Income Limits

## APPENDIX 6

### **CHDO CHECKLIST**

The information contained in this checklist refers to the definition of Community Housing Development Organizations (CHDOs) in Subpart A, Section 92.2 of the HOME Final Rule, as amended, which is available online:

[www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/finalrule.pdf](http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/finalrule.pdf).

*Applicants for HOME funding that have not been certified as a Fairfax County CHDO for the 2014 Fiscal Year will be required to submit CHDO documentation indicated in the checklist, which must be reviewed and approved by HCD staff before award of HOME funds or execution of a contract.*

#### **I. LEGAL STATUS**

- A. The nonprofit organization is organized under State or local laws, as evidenced by:
- \_\_\_ a Charter, or
  - \_\_\_ Articles of Incorporation.
- B. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:
- \_\_\_ a Charter, or
  - \_\_\_ Articles of Incorporation.
- C. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501 (c) of the Internal Revenue Code of 1986, as evidenced by:
- \_\_\_ a 501 (c) Certificate from the IRS.
- D. Has among its purposes the provision of decent housing that is affordable to low-income people, as evidenced by a statement in the organization's:
- \_\_\_ Charter,
  - \_\_\_ Articles of Incorporation,
  - \_\_\_ By-laws, or
  - \_\_\_ Resolutions.

#### **II. CAPACITY**

- A. Conforms to the financial accountability standards of 24 CFR § 84.21 (Standards for financial management systems), as evidenced by:
- \_\_\_ a notarized statement by the president, or chief financial officer of the organization;
  - \_\_\_ a certification from a Certified Public Accountant, or
  - \_\_\_ a HUD approved audit summary.

- B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by:
- \_\_\_\_\_ resumes and/or statements that describe the experience of key paid staff members who have successfully completed projects similar to those to be assisted with HOME funds, or
  - \_\_\_\_\_ contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization.
- \_\_\_\_\_ list of previous projects of which paid staff has been involved and explanation of paid staff member's role in the project
- C. Has a history of serving the community where housing to be assisted with HOME funds will be used, as evidenced by:
- \_\_\_\_\_ a statement that documents at least one year of experience in serving the community, or
  - \_\_\_\_\_ for newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.

The CHDO, or its parent organization, must be able to show one year of serving the community from the date the participating jurisdiction provides HOME funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided such as, developing new housing, rehabilitating existing stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president of the organization or by a HUD approved representative.

### **III. ORGANIZATIONAL STRUCTURE**

- A. Maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations as evidenced by the organization's:
- \_\_\_\_\_ By-Laws,
  - \_\_\_\_\_ Charter, or
  - \_\_\_\_\_ Articles of Incorporation.

Under the HOME program, for urban areas, the term, "community", is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, "community" is defined as one or several neighborhoods, a town, village, county, or multi-county area (but not the whole state), provided that the governing board contains low-income residents from each of the multi-county areas.

- B. Provides a formal process for low-income program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of all HOME-assisted affordable housing projects, as evidenced by:
- \_\_\_ the organization's By-laws,
  - \_\_\_ Resolutions, or
  - \_\_\_ a written statement of operating procedures approved by the governing body.
- C. A CHDO may be chartered by a State or local government; however, the State or local government may not appoint: (1) more than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; and (3) no more than one-third of the governing board members are public officials, as evidenced by the organization's:
- \_\_\_ By-Laws,
  - \_\_\_ Charter, or
  - \_\_\_ Articles of Incorporation.
- D. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members, as evidenced by the CHDO's:
- \_\_\_ By-Laws,
  - \_\_\_ Charter, or
  - \_\_\_ Articles of Incorporation.

#### **IV. RELATIONSHIP WITH FOR-PROFIT ENTITIES**

- A. Is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by:
- \_\_\_ the organization's By-laws, or
  - \_\_\_ a Memorandum of Understanding (MOU).
- B. A Community Housing Development Organization may be sponsored or created by a for-profit entity, however:
- (1) the for-profit entity's primary purpose may not include the development or management of housing, as evidenced:
- \_\_\_ by the for-profit organization's By-laws

#### **AND:**

- (2) the CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced by the CHDO's:
- ☐ By-Laws,
  - ☐ Charter, or
  - ☐ Articles of Incorporation.